

A Tale of Two Commitments: Tracking Progress on Disability and Employment

Victoria Wass, Cardiff Business School

Melanie Jones, Cardiff Business School

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Two Commitments

In 2015 the UK Government set a target to halve the disability employment gap by 2020 (Commitment 1).

“we will aim to halve the disability employment gap: we will transform policy, practice and public attitudes, so that hundreds of thousands more disabled people who can and want to be in work find employment.” (Conservative Party 2015:19) ¹

In 2017 the target was changed and is now expressed as an increase in the employment of disabled people by 1 million by 2027 (Commitment 2).

“We will get 1 million more people with disabilities into employment over the next ten years.” (Conservative Party 2017:57)

Confusing claims

The different targets in each commitment support conflicting claims on progress towards employment inclusion for disabled people. The charity Scope reported in the *Times* (September 2nd 2017) that more disabled people left employment (123,000) than gained employment (108,000) between October 2016 and March 2017 indicating that the employment of disabled people is falling. Unless the employment of non-disabled people is also falling, the difference between the two employment rates, the disability employment gap, will be rising. On the basis of data for the last two quarters, the Government is not making progress towards either commitment. The Department for Work and Pensions (DWP) responded that 600,000 disabled people have entered work in the last four years signalling progress on Commitment 2. This is also the figure used by Secretary of State, David Gauke at the launch of the Government’s strategy document *Improving Lives* (DWP 2017) and claiming progress on Commitment 2. The previous year (December 2016) the APPG Disability Inquiry Report described a 1.3 percentage point fall in the disability employment gap between 2013 and 2016: progress but at nothing like a rate large enough to meet Commitment 1. Each claim is supported by evidence from the same data source, the Labour Force Survey (LFS). To see whether employment outcomes have become better or worse for disabled people, we need to interrogate the data that supports the claims.

The evidence base

Table 1 reports employment outcomes for disabled and non-disabled people from the LFS from April 2013 to June 2017 (the period of the DWP claim). The disability employment gap, the subject of Commitment 1 and reported in column iii, was adopted as a base line indicator following Black Review (2008) (Black 2010:20). It is measured as the percentage point

difference between the employment rates of non-disabled (column ii) and disabled people (column i) of working-age. The new indicator, which is the subject of Commitment 2, is the number of disabled people in employment. It is reported in column iv.

Table 1 The Disability Employment Gap

	(i) Employment rate of disabled people %	(ii) Employment rate of non- disabled people %	(iii) Disability employment gap (percentage point)	(iv) Disabled people in employment (thousands)
Apr-Jun 2013	43.63	76.78	33.14	2,897
Jul-Sep 2013	43.41	77.63	34.23	2,878
Oct-Dec 2013	44.18	77.91	33.74	2,976
Jan-Mar 2014	44.24	78.02	33.77	2,970
Apr-Jun 2014	44.92	78.38	33.46	3,026
Jul-Sep 2014	45.76	79.05	33.29	3,146
Oct-Dec 2014	45.54	79.17	33.62	3,121
Jan-Mar 2015	46.30	78.98	32.69	3,214
Apr-Jun 2015	45.90	79.17	33.28	3,257
Jul-Sep 2015*	45.61	80.15	34.54	3,225
Oct-Dec 2015	46.63	80.27	33.64	3,277
Jan-Mar 2016	46.86	79.93	33.07	3,334
Apr-Jun 2016	47.88	80.06	32.18	3,388
Jul-Sep 2016	48.25	80.50	32.24	3,467
Oct-Dec 2016	49.53	80.32	30.79	3,568
Jan-Mar 2017	48.98	80.24	31.26	3,507
Apr-Jun 2017*	49.20	80.56	31.35	3,492

Source: ONS, Table A08, LFS, GSS harmonised standard definition of disability.

Notes: * manifesto commitment

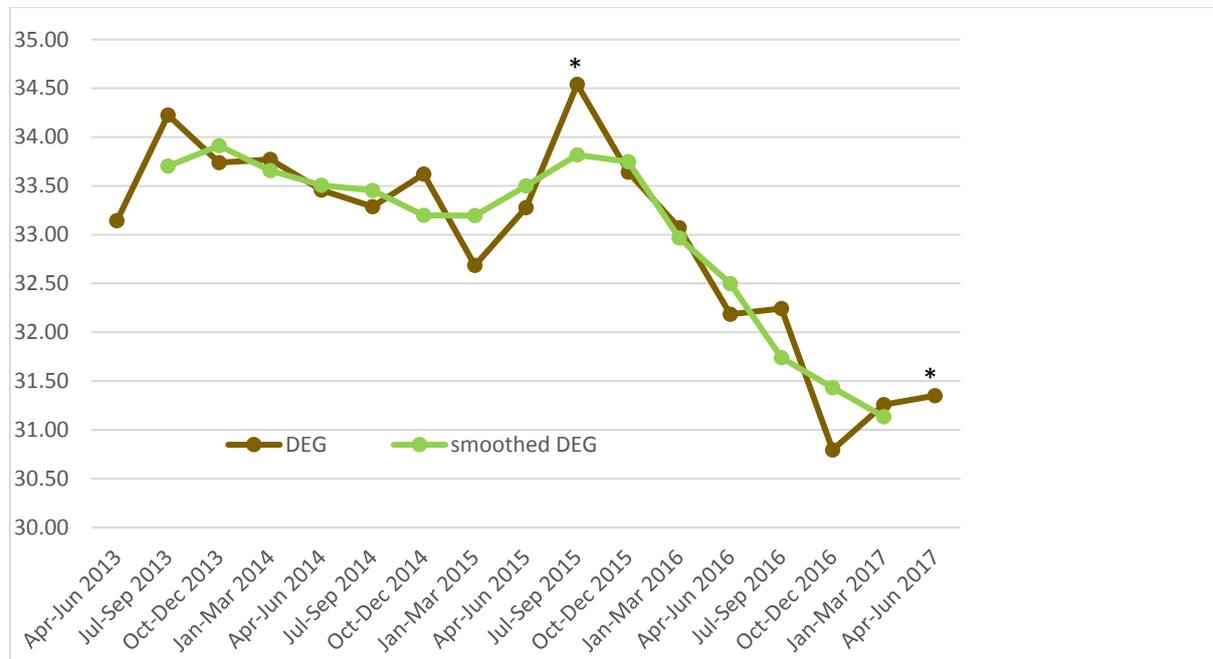
Progress on Commitment 1 (halving the disability employment gap)

According to the LFS, the disability employment gap was 33.1 percentage points in April 2013, 34.5 percentage points at the time it was made the subject of Commitment 1 (July 2015) and 32.2 percentage points when this commitment was renewed in April 2016. The disability employment gap which would meet the commitment is between 16 and 17 percentage points.

Progress has been positive but modest. The gap narrowed by 3.2 percentage points from its high point (34.5 percentage points) in July 2015 to 31.3 percentage points in June 2017. As highlighted by Scope, it has widened since October 2016. Further observations will distinguish whether this recent widening reflects short-term volatility or a reversal of the narrowing trend. Short term survey data which track minority groups are subject to *ad hoc* fluctuations so that the quarterly series is volatile and using data for a small number of quarters can be misleading in identifying trends. For meaningful debate, the focus should be on longer term ‘smoothed’ trends.

The disability employment gap is depicted by the brown line in Figure 1 from April 2013. It is quite volatile between quarters. The green line shows a three quarter moving average for the same measure.

Figure 1 The Disability Employment Gap (percentage point) 2013-2017

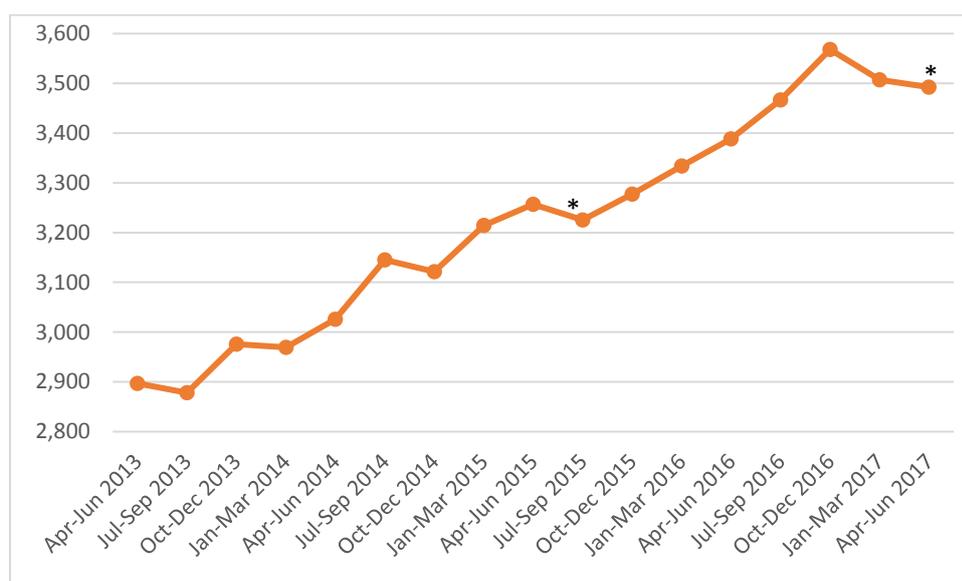


Source: See Table 1 above.

Progress on Commitment 2 (1 million more disabled people into employment)

The employment of disabled people, again measured in the LFS, increased by 596,000 between April 2013 and June 2017 (see Figure 2). It fell by 61,152 between October 2016 and March 2017 and by a further 14,492 between April and June 2017. However, Commitment 2 begins in June 2017, the end point of the data series, and it will need to be judged on whether and by how much the employment of disabled people increases from this date. There were 3.5 million disabled people in employment in June 2017. This implies that the commitment is to raise employment among disabled people to 4.5 million by 2027.

Figure 2 Number of disabled people in employment (thousands) 2013-2017



Source: See Table 1 above.

Commitments compared

Measuring progress on the measures relating to each commitment over the same period, April 2013 to June 2017, using the same data, the LFS, and the same definitions of disability leads to different conclusions. The number of jobs held by disabled people increased by an average of about 140,000 per year. This growth, if projected forward, is well above what would be needed to fulfil Commitment 2. On the other hand, the disability employment gap narrowed by only 1.8 percentage points from 33.1, an average of 0.42 percentage points per year, meaning the government is nowhere close to meeting Commitment 1.

The difference is explained by the fact that the disability employment gap (Commitment 1) controls for growth in the disabled working-age population and growth in the employment of non-disabled people (for example, from an increase in aggregate labour demand). In the context where both are increasing, Commitment 2 is weaker and the target much easier to meet. The expansion in employment of disabled people of 596,000 looks less impressive when set against an increase in the population of working-age disabled people of 458,000 and an increase in the employment of non-disabled people of 1,455,000.

Which Commitment is best?

Disability disadvantage is a relative concept which is best measured by a relative measure, such as the disability employment gap. This is the top line disability equality indicator adopted after the Black Review (2008). It measures the employment prospects of disabled people when compared to non-disabled people. It also measures the under-utilisation of labour. The disability employment gap is the original target measure and is the one which best captures the ambition to promote equality for disabled people. It is the commitment to which the Government should be held to account.

Progress on Commitment 1 is currently too small and too slow. If everything else remains equal, it will take 37 years (to 2054) to close the gap to 16 percentage points, beyond the working life time of anyone currently over the age of 30. To make an economy that starts to work more fairly for disabled people, everything must not remain equal, something must change. That something must initiate a step change in disabled people's relative entry into and retention of employment. This needs bold and innovative ideas. These ideas must focus on changing employers' behaviour and improving organisational practice as least as much on disabled people themselves. These ideas are hard to find in Government policy. Disability is neglected in the most recent economic strategy documents: the Industrial Strategy (BEIS 2017), the National Infrastructure Delivery Plan (HMT 2016), The Taylor Review of Modern Employment Practices (Taylor 2017) and the House of Commons Work and Pensions Committee Report on Self-Employment and the Gig Employment (House of Commons 2017). The Government's strategy document on disability and employment, *Improving Lives* (DWP and DH 2017) favours supporting disabled claimants in their job search over tackling discrimination (unconscious) in recruitment and promotion. In contrast the recommendations in the APPG Disability Inquiry Report (Connolly et al. 2016) propose demand-side initiatives, including disability audits, as a more effective contribution to the step change needed to make real progress towards fulfilling Commitment 1, halving the disability employment gap.

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¹ The time frame of five years for this commitment was provided by the Disability Minister (DWP 2015).